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7/28/01

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent of: )  
MOURA et al. )  
Application No. 08/697,080 )  
Filed: August 20, 1996 )  
For: HYBRID ACCESS SYSTEM )  
EMPLOYING ACKNOWLEDGMENT )  
SUPPRESSION )

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Special Program Law Office,  
Office of Petitions  
Honorable Commissioner of Patents  
and Trademarks  
Washington, D.C. 20231

Sir:

PETITION FOR  
PRECAUTIONARY CHANGE TO LARGE ENTITY STATUS AND  
PAYMENT OF LARGE ENTITY FEES UNDER 37 CFR §1.28(c)

The instant Petition is one of two petitions, being submitted concurrently, to effect a Precautionary Change to Large Entity Status and Payment of Large Entity Fees. The other petition is being submitted under 37 CFR § 1.137 (b). One of these petitions may be moot in view of the other.

As a precautionary measure, and without intentional delay, assignee respectfully requests a retroactive change to large entity status and hereby petitions the honorable Commissioner of

Patents and Trademarks to accept the large entity filing and prosecution fees for U.S. Application No. 08/697,080 ("the '080 application," Exhibit A). The Patent and Trademark Office had not held the '080 application to be abandoned, and assignee has not determined that a change in status is actually necessary. Assignee, however, has recently become aware of questions regarding claim construction and contract interpretation that may affect whether this patent application was entitled to small entity status when the filing and prosecution fees were paid.

### SUMMARY

Assignee, Hybrid Networks, Inc. (Hybrid), has always had less than 500 employees. Represented by the corporate department of a first law firm, Hybrid executed a technology license agreement with a large corporation, having more than 500 employees, on November 30, 1993. (In this petition, this large corporation will be called ACME, though ACME is not the actual name of this corporation.) The agreement gave ACME a Right of First Refusal on sales of Hybrid assets and stock, and provided for licensing of certain Hybrid technology to ACME. At the time of execution, on November 30, 1993, Hybrid was relying on a second law firm for patent prosecution matters. Represented by the corporate department of the first law firm, Hybrid executed an amended and restated agreement, on December 22, 1995. Later, represented by a third law firm, Hybrid filed U.S. application serial no. 08/697,080, on August 20, 1996, with a small entity filing fee. On October 28, 1997, it was discovered that the agreement documents might have had a bearing on whether the '080 application was entitled to small entity status

when the filing fee was paid. By the instant petition, Hybrid submits the balance of the large entity filing fees, and the balance of other fees possibly incurred during the prosecution of the '080 application.

### FACTS

Corporate Department of First Law Firm (Fenwick & West)  
Counsels Hybrid in Negotiations and Agreement with ACME Corporation, while  
Second Law Firm (Townsend & Townsend) Prosecutes Hybrid Patent Application

In 1993, ACME corporation wished to develop and market PC card products to provide users of personal computers with cable connectivity. To further that goal, ACME agreed to transfer money to Hybrid by way of a Technology License Agreement executed November 30, 1993 (portions attached to Declaration of Mr. Enns, Exhibit C).

ACME also owned various amounts of Hybrid's stock from time to time. At no time did Acme own greater than 17% of Hybrid's stock.

In the agreements, Hybrid licensed certain technologies, while reserving technologies related to the overall system. For example, Hybrid reserved technology related to its "Point of Presence" (PoP) system technology located at a central information distribution facility (e.g., a cable plant's head end) for providing an asymmetric network connection between the distribution facility and the remote users.

Hybrid and ACME envisioned an arrangement in which ACME would manufacture PC card devices for use in individual computers, paying Hybrid a per-unit royalty fee. As a precursor to this arrangement, the agreements set forth a per-unit royalty fee payment schedule.

The corporate department of Fenwick & West represented Hybrid in its dealing with ACME. Fenwick & West also had a patent department, but at this point Hybrid was still relying on Townsend & Townsend for patent prosecution matters and had not yet switched in representative matters before the Patent Office.

The November 30, 1993 agreement, executed by Hybrid President, Howard Strachman, was entitled TECHNOLOGY LICENSE AGREEMENT BETWEEN HYBRID NETWORK, INC. AND ACME CORPORATION, and was memorialized in 18 pages, including the following provision for a future agreement:

3.3 ... As a condition precedent to ACME's obligation to pay under Sections 3.2 and 3.3, Hybrid, with ACME's cooperation, shall engage in commercially reasonable development efforts as mutually agreed and defined by the Parties in a separate development agreement which the parties agree to negotiate in good faith and which shall include installment by Hybrid by of an agreed number of Point of Presence Systems.

The agreement included the following provisions for the purchase of Hybrid assets and stock by ACME:

#### 13.0 ACME RIGHT OF FIRST REFUSAL

13.1 If Hybrid decides to (i) sell itself, merge, consolidate, sell all, or substantially all of its assets, or (iii) issue, sell or exchange, for cash or other consideration, shares of its capital stock (each a "Corporate Event"), the result of which will be a change in control of Hybrid. Hybrid shall give ACME a detailed, written description of the terms of the proposed Corporate Event at least forty-five (45) days prior to the completion of the Corporate Event (the "Notice").

13.2 Upon receipt of the Notice, ACME shall have the right, exercisable by giving written notice to Hybrid within thirty (30) calendar days after the date of delivery of the Notice, to enter into an agreement with Hybrid to participate in the Corporate Event on terms consistent with and no less favorable to Hybrid than those contained in the Notice. If the consideration contained in the Notice includes property other than cash, ACME shall have the option to substitute similar property of equal value. The value of any property included in the purchase price shall be the fair market value of such property on the date ACME receives the Notice. In the event of a disagreement between the Parties, the fair market value of property shall be jointly determined by a nationally recognized investment firm selected by each Party to this Agreement. If the firms selected by ACME and Hybrid are unable to agree upon the value of property, the firms shall promptly select a third firm whose determination shall be conclusive. Each party shall bear the cost of its own investment banking firm and shall share equally the cost of any third firm selected hereunder. If ACME exercises its right to purchase under this Section 13.0, the transactions shall (i) be subject to the receipt of all applicable regulatory approvals, (ii) be in compliance with applicable laws and regulations, and (iii) take place on such date and at such time and place as Hybrid and ACME shall mutually agree, provided that in no event will such date be later than forty-five (45) days after the date of the Notice.

13.3 If ACME decides not to participate in the Corporate Event as detailed in the Notice, Hybrid may complete the corporate Event as detailed in the Notice. If the terms and conditions of the Corporate Event materially change after expiration of ACME's rights under Paragraph 13.2 and such terms are more favorable than those first detailed in the Notice, Hybrid must inform ACME in writing of such changes and ACME shall have the right, within ten (10) working days of receiving such notification from Hybrid to agree to complete within thirty (30) days after such notification, the Corporate Event on the changed terms and conditions specified in Hybrid's notification to ACME.

13.4 ACME shall maintain the right of first refusal under this Section 13.0 during the Exclusivity Period. ACME's right of first refusal shall continue after expiration or termination of the Exclusivity Period for the earlier of (i) two (2) years, provided ACME holds at least ten percent (10%) of Hybrid's outstanding shares of stock at the time of the Corporate Event or (ii) an initial public offering by Hybrid.

The agreement also included the following license grant provisions:

1.5 "Hybrid Software" shall mean Hybrid's client software, in source and binary form, to be installed on a user's computing device which permits symmetrical/asymmetric data communications between the user's personal computer or

other computing device and a cable television or other communications network. **A Point of Presence System shall not be included in the term "Hybrid Software."**

1.6 "Hybrid Technology" shall mean Hybrid's designs, processes, methods, software, algorithms, trade secrets, and its patents, copyrights, and other ACME intellectual property rights **used in or necessary for** Hybrid Software and/or the Remote Link Adapter with respect to enabling symmetric/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network.

1.7 **"Point of Presence System" shall mean a central network point for the collection of digital information from various information providers and users and the distribution of digital information to the cable television head-end equipment.**

1.9 "Remote Link Adapter" shall mean a device that uses software and/or hardware to physically connect a personal computer or other computing device to a television cable or other communications network and which is capable of executing Hybrid Software. **A Point of Presence System shall not be included in the term "Remote Link Adapter."**

...

## 2.0 LICENSE GRANT

2.1 Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, exclusive (as defined in Section 2.4), royalty bearing license, with the right to sublicense during the Exclusivity Period (as defined in Section 2.4), to use Hybrid Technology . . .

2.2 Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, exclusive (as defined in Section 2.4), royalty free license, with the right to sublicense, during the Exclusivity Period (as defined in Section 2.4) under Hybrid's copyrights, patents, and trade secrets to reproduce copies of Hybrid Software . . .

2.5 **Except as expressly provided herein, no other rights or licenses of any kind are granted by the Parties. . . .**

(emphasis added)

The first Agreement is Amended and Restated

On December 22, 1995, Hybrid's Vice President, Richard E. Fuller, executed a document entitled AMENDED AND RESTATED TECHNOLOGY LICENSE AGREEMENT BETWEEN HYBRID NETWORKS, INC. AND ACME, which included the following provisions:

THEREFORE, ACME and Hybrid agree as follows:

I. Definitions

1.1. "*Hybrid Documentation*" shall mean written Hybrid specifications, schematics, and associated technical documentation for the Remote Link Adapter and Hybrid Software.

1.2. "*Hybrid Improvement*" shall mean any enhancement, feature, or option for use by or in connection with Hybrid Technology or the ACME Technology developed by Hybrid which is intended to, or which does, improve Hybrid Technology or the ACME Technology.

1.3. "*Hybrid Product*" shall mean a product developed by or for Hybrid which incorporates ACME Technology. ACME Improvement or any other derivative thereof.

1.4. "*Hybrid Software*" shall mean Hybrid's client software, in source and binary forms, to be installed on a user's computing device which permits symmetric/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network. **A Point of Presence System shall not be included in the term "Hybrid Software."**

1.5. "*Hybrid Technology*" shall mean Hybrid's designs, processes, methods, software, algorithms, trade secrets, and its patents, copyrights, and other ACME intellectual property rights **used in or necessary for** Hybrid Software and/or the Remote Link Adapter with respect to enabling symmetric/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network. Hybrid Technology shall include any Hybrid improvements required to be delivered to ACME hereunder.

1.6. "*ACME Documentation*" shall mean written ACME specifications, schematics, and associated technical documentation for the ACME Technology.

1.7. "*ACME Improvement*" shall mean any enhancement, feature, or option for use by or in connection with ACME Technology or the Hybrid Technology developed by

ACME which is intended to, or which does, improve ACME Technology or the Hybrid Technology.

1.8 *"ACME Product"* shall mean a product developed by or for ACME which incorporates Hybrid Technology, Hybrid Improvement or any other derivative thereof.

1.9 *"ACME Software"* shall mean the "ACME Client Software Modifications," the "ACME [redacted] Client Software" and the "ACME [redacted] Software," as each is defined in Exhibit A, in source and binary forms.

1.10 *"ACME Technology"* shall mean the portions of the ACME Technology Deliverables that were developed by ACME. The ACME Technology shall not include those portions of the ACME Technology Deliverables that incorporate any of the Hybrid Technology. The ACME Technology shall include (without limitation) the "ACME [redacted] Software" as defined in Exhibit A.

1.11 *"ACME Technology Deliverables"* shall mean the ACME Software and the "ACME [redacted] Client Hardware" as defined in Exhibit A. The ACME Technology Deliverables shall include the ACME Improvements required to be delivered to Hybrid hereunder. ACME acknowledges that the ACME Technology Deliverables incorporate portions of the Hybrid Technology.

1.12 **"Point of Presence System" shall mean a central network point for the collection of digital information from various information providers and users and the distribution of digital information to the cable television head-end equipment for a specific geographic area.**

1.13 *"Remote Link Adapter"* shall mean a device that uses software and/or hardware to physically connect a personal computer or other computing device to a television cable or other communications network and which is capable of executing Hybrid Software. **A Point of Presence System shall not be included in the term "Remote Link Adapter."**

## 2. LICENSE GRANTS

2.1 Hybrid Technology. Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, nonexclusive, royalty bearing license to use Hybrid Technology to design, develop, modify, create derivatives, manufacture, have manufactured, use, market, distribute, sell, service and support ACME Products. ACME shall not sublease any Hybrid Technology. These licenses include the right to copy, modify, and distribute Hybrid Documentation.



2.2 Hybrid Software. Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, nonexclusive, royalty-free license, under Hybrid's copyrights, patents, and trade secrets, to reproduce copies of Hybrid Software in order to prepare derivative works of such Hybrid Software ("*ACME Derivative Code*") and to copy, publish, and distribute, under ACME's then current standard licensing terms, Hybrid Software and ACME Derivative Code in binary form. ACME shall not sublease Hybrid Software or ACME Derivative Code in source code form. These licenses include the right to copy, modify, and distribute Hybrid Documentation.

2.3 ACME Technology. Subject to the terms of this Agreement, ACME grants to Hybrid a perpetual, worldwide, nonexclusive, royalty-free, paid-up license to use ACME Technology to design, develop, modify create derivatives, manufacture, have manufactured, use, market, distribute, sell, service and support Hybrid Products. Hybrid shall not sublicense ACME Technology. These licenses include the right to copy, modify, and distribute ACME Documentation.

2.4 ACME Software. Subject to the terms of Agreement, ACME grants to Hybrid a perpetual, worldwide, nonexclusive, royalty-free license, under ACME 's copyrights, patents, and trade secrets, to reproduce copies of ACME Software in order to prepare derivative works of such ACME Software ("*Hybrid Derivative Code*") and to copy, publish, and distribute, under Hybrid's then current standard licensing terms, ACME Software and Hybrid Derivative Code in binary form. Hybrid shall not sublicense ACME Software or Hybrid Derivative Code in source code form. These licenses include the right to copy, modify, and distribute ACME Documentation.

2.6 Distribution in Devices. Notwithstanding the software licenses restrictions specified in this Section 2, each party shall have the right to distribute software or portions thereof which are programmed into a semiconductor device without a license agreement but will rely on such laws as may be appropriate.

2.7 Reserved Rights ... **Except as expressly provided herein, no other rights or licenses of any kind are granted by the parties.**

#### 4. OWNERSHIP

4.1 Hybrid Ownership. Except for the licenses expressly granted in Section 2 above, Hybrid will remain the owner of all right, title and interests in the Hybrid Technology, Hybrid Software, Hybrid Documentation and any and all copyright, trade secret, patent and other intellectual property rights therein. Except for ACME's ownership of the ACME Technology, Hybrid will remain the owner of all right, title and interest in the

Hybrid Products, Hybrid Improvements and any and all copyright, trade secret, patent and other intellectual property rights therein.

4.2 ACME Ownership. Except for the licenses expressly granted in Section 2 above, ACME will remain the owner of all right, title and interest in the ACME Technology, ACME Documentation and any and all copyright, trade secret, patent and other intellectual property rights therein. Except for Hybrid's ownership of the Hybrid Technology, ACME will remain the owner of all right, title and interest in the ACME Products, ACME Technology Deliverables, ACME Improvements and any and all copyright, trade secret, patent and other intellectual property rights therein ...

## 6. DEVELOPMENT, DELIVERY, MAINTENANCE AND SUPPORT

6.1 Hybrid Deliverables. Hybrid has delivered to ACME Hybrid Technology including but not limited to (i) all source code, "make files," and related Hybrid Documentation needed to recreate the executable version of the Hybrid Software, and (ii) the functional, electrical, mechanical and test specifications, logic and wiring diagrams, physical layout diagrams, and bill of materials for the Remote Link Adapter.

6.2 Hybrid Improvements. Hybrid will furnish to ACME, in a form reasonably satisfactory to ACME and at no additional expense to ACME, only such Hybrid Improvements to Hybrid Technology as Hybrid shall have developed that maintain basic functionality, including cable back-channel capability. If Hybrid makes available to any third party the right to sell, lease, license or distribute any Improvement that increases functionality with respect to any ACME Product then marketed by ACME, Hybrid will furnish such improvement to ACME under terms and conditions as favorable as those offered by Hybrid to any such party.

6.3 ACME Deliverables. On or about the Effective Date and as otherwise agreed herein, ACME will deliver to Hybrid the ACME Technology Deliverables in the form of mutually agreed technology release packages including but not limited to (I) all source code, "make files," and related ACME Documentation needed to recreate the executable version of any software delivered, and (ii) the functional, electrical, mechanical and test specifications, logic and wiring diagrams, physical layout diagrams, and bill of materials for hardware delivered.

## 10. MARKETING AND FUTURE BUSINESS OPPORTUNITIES

10.1 Marketing Names. ACME shall have the right to promote and market Hybrid Technology under ACME's trade names, and Hybrid shall have the right to promote and market ACME Technology under Hybrid's trade names.

10.4 [redacted] Development Plan. During the sixty (60) days following the Effective Date, the parties will prepare a development plan relating to the [redacted] technology and will negotiate in good faith the terms and conditions of a Development Agreement under which such development will occur. If the parties do not develop such a development plan or enter into such a Development Agreement, ACME will deliver to Hybrid in accordance with Section 6.3 any ACME Improvements developed by ACME and on July 1, 1996, ACME will make an additional delivery to Hybrid of any ACME Improvements. Further, on July 1, 1996 and as otherwise agreed, if the parties enter into a Development Agreement, ACME will deliver to Hybrid any deliverables developed hereunder. Neither party will have liability whatsoever, and neither party will be considered to have breached this Agreement, for failure to prepare a development plan or enter into a Development Agreement.

13.1 If Hybrid decides to (I) sell itself, merge, consolidate, sell all, or substantially all of its assets, or (iii) issue, sell or exchange, for cash or other consideration, shares of its capital stock (each a "Corporate Event"), the result of which will be a change in control of Hybrid. Hybrid shall give ACME a detailed, written description of the terms of the proposed Corporate Event at least forty-five (45) days prior to the completion of the Corporate Event (the "Notice").

13.2 Upon receipt of the Notice, ACME shall have the right, exercisable by giving written notice to Hybrid within thirty (30) calendar days after the date of delivery of the Notice, to enter into an agreement with Hybrid to participate in the Corporate Event on terms consistent with and no less favorable to Hybrid than those contained in the Notice.  
(emphasis added)

The Amended and Restated Agreement is Amended by Letter

In a letter dated, February 26, 1996, signed by Hybrid's President, Carl. S. Ledbetter, the December 1995 Restated and Amended Agreement was amended as follows:

The first two sentences of Section 10.4 shall be deleted and the following sentences shall be substituted in their place:

The parties will prepare a development plan based upon such product specifications as may be mutually agreed upon by the [redacted] Team consisting of Hybrid, ACME, Beta Corporation and Delta Corporation. The parties to the Agreement agree to negotiate in good faith the terms and conditions of a Development Agreement under which such development will occur. Hybrid has received in accordance with Section 6.3 any ACME Improvements developed by ACME as of the Effective Date. On July 1, 1996 ACME will make additional delivery to Hybrid of any ACME Improvements developed by ACME subsequent to the Effective Date.

(The paragraph above employs the names BETA and DELTA to identify two other large corporations, though BETA and DELTA is not the actual name of these corporations.)

#### Cushman, Darby & Cushman Files '080 application

On August 20, 1996, the firm of Cushman, Darby, and Cushman filed the '080 application (Exhibit A) under 37 CFR § 1.60 with a small entity filing fee. The '080 application referenced U.S. application Serial No. 08/426,920 ("the '920 application") as the parent application (See page 2 of the Rule 60 request in Exhibit A). As required by 37 CFR § 1.60, the '080 application included a copy of the parent application.

The '080 application claimed small entity status (See page 2 of the Rule 60 request in Exhibit A), referencing a small entity statement (Exhibit B) filed in the '920 application. This small entity statement had been executed, for the '920 application, by Mr. Richard E. Fuller, then Hybrid's Vice President of Finance, on April 21, 1995.

The copy of the parent application, required in the '080 application, was entitled ASYMMETRIC HYBRID ACCESS SYSTEM AND METHOD, and included 12 independent claims and 25 total claims (Exhibit A), including claim 22:

22. A method of operating a client node, comprising the steps of:  
sending periodic operability indication messages during an active state,  
receiving a poll message, and requesting channel connection.

The Rule 60 request cancelled claim 22 (See page 3 of the Rule 60 request in Exhibit A).

In an office action dated December 30, 1996, the examiner objected to the claims, and rejected the claims under 35 U.S.C. § 103, using a combination of references. In a responsive amendment filed June 6, 1997, Hybrid's current representative amended the specification and the claims. The amendment was accompanied by a small entity three-month extension of time fee of \$450.00, and an extra claim fee of \$117.00 for 3 extra independent claims.

In a supplemental amendment filed August 5, 1997, Hybrid's, current representative added 3 more extra independent claims and submitted the required fee of \$117.00.

#### Questions Regarding Small Entity Status Discovered

Over the past few months, Hybrid's current representative (who had no knowledge of any of the prior license agreements) had been consulted relative to licensing its technology to ACME in connection with ACME's prospective sale of a business unit dealing with Hybrid's technology. Upon considering the proper status of Hybrid as a small entity in handling of its

application, the current representative on or about October 28, 1997 inquired of Hybrid whether the ACME licensing deal had gone through. Mr. Rick Enns, Hybrid's Vice President of Engineering, informed the current representative that it had not, but, during the discussions, it was learned for the first time by the current representative that the recent negotiations with ACME were based on an earlier agreement, to wit: the November 30, 1993 agreement and amendments thereto. We then requested that Mr. Enns forward to us by facsimile a copy of the November 30, 1993 agreement for review and analysis. On November 17-18, we visited Hybrid in Cupertino, California to explore further the nature of the relationship between Hybrid and ACME and then learned that the November 30, 1993 agreement had been restated and modified by an agreement executed December 22, 1995, and again modified by a letter dated February 26, 1996.

### Conclusion

We have reviewed the various agreements, and the claims, and believe certain questions might arise as to the status of Hybrid as a small entity at various times during the prosecution of its patent applications. Although we draw no legal conclusions, we perceive certain questions relative to (i) whether a large corporation had "control" at the time of payment of the filing fee on August 20, 1996; (ii) whether the November 30, 1993 agreement conveyed (currently or prospectively) any rights to "patents" since none were issued at that time; (iii) whether definitions contained in the agreement precluded that subject matter of the patents as licensed

technology; and (iv) whether the December 26, 1995 restated and modified Technology License Agreement impacted the small entity status determination.

Regarding similar questions in another one of Hybrid's patents, rather than risk any subsequent adverse determination of other questions, and without admitting error in payment of the small entity issue fee, Hybrid, as a precautionary measure, filed a set of Petitions on November 28, 1997, advising of a change in status to a large entity and submitting the balance of the large entity issue fee.

Regarding similar questions in U.S. Patent No. 5,586,121, which issued from the '920 application, rather than risk any subsequent adverse determination of other questions, and without admitting error in payment of the small entity issue fee, Hybrid, as a precautionary measure, filed a set of Petitions on December 19, 1997, advising of a change in status to a large entity and submitting the balance of the large entity filing and issue fees.

Regarding similar questions in four other Hybrid applications, rather than risk any subsequent adverse determination of other questions, and without admitting error in payment of the small entity issue fee, Hybrid, as a precautionary measure, filed a set of Petitions on December 29, 1997, two sets of petitions on December 31, 1997, and a set of Petitions on January 13, 1998, advising of a change in status to a large entity and submitting the balance of the large entity filing and prosecution fees.

Regarding the subject of the instant petition, Hybrid's '080 application, rather than risk any subsequent adverse determination of these questions and without admitting error in payment

of the small entity filing or prosecution fees, Hybrid, as a precautionary measure, now advises of a change in status to a large entity and submits payment of a large entity filing and prosecution fees.

Any error that might have been made, in verifying whether the '080 application was entitled to small entity status, arose from inadvertence, the complexity of the business situation, and/or changes in legal representation.

Whether ACME's Right of First Refusal and stock ownership constituted control, within the meaning of 37 CFR 1.9 (d) and MPEP 509.02, depends on construction of the regulations of the Small Business Administration. Although assignee is unaware of any decision directly on point, assignee believes ACME had no right to control within the meaning of those regulations.

Whether Hybrid had an obligation to license, within the meaning of MPEP 509.02, depends on issues of contract interpretation and claim construction. The 1993 agreement defines Hybrid Technology to mean Hybrid's designs, processes, methods, software, algorithms, trade secrets, and its patents, copyrights, and other intellectual property rights . . ." Under the agreement, ACME's right to "use" Hybrid Technology appears to be limited to that which is "used in or necessary for Hybrid Software and/or the Remote Link Adapter (paragraph 1.6)." Paragraph 1.9 defines Remote Link Adapter and states, "a Point of Presence system shall not be included in the term 'Remote Link Adapter.' " Depending on how claim 22 would have to be interpreted, had it not been cancelled, the method of claim 22 may, or may not, "be used in or necessary for" the "Remote Link Adapter," within the meaning of the 1993 Agreement.



Regardless of the proper interpretation of the claim 22, and the 1993 Agreement, a non lawyer might have been lulled because the specification states, "FIG. 2a is a schematic drawing of a point of presence (POP) system 26(1) according to the present invention." (Specification page 12, lines 23-24, in Exhibit A).

Thus, in view of varied interpretations under contract law, patent law, and the regulations of the Small Business Administration, it would not be readily apparent whether Hybrid had licensed claimed or patented subject matter, or had an obligation to license such matter, or whether ACME had control over Hybrid, within the meaning of MPEP 509.02 and the regulations cited therein.

Assignee respectfully submits that the forgoing statement, of how possible small entity issues may have been overlooked and how the issues were discovered, meets the requirements of 37 CFR § 1.28(c) and hereby requests that Deposit Account No. 06-0115, of Farkas & Manelli, PLLC, be charged \$1,173.00 (This amount, \$1,173.00, is the large entity filing fee, plus the large entity extension and extra claim fees possibly incurred June 6, 1997, plus the large entity extra claim fees possibly incurred August 5, 1997, minus the \$375.00 small entity filing fee paid on August 20, 1996 (See page 4 of the Rule 60 request in Exhibit A), the \$450.00 three-month extension, \$117.00 extra claim fees paid June 6, 1997, and \$117.00 extra claim fees paid August 5, 1997.

The large entity filing fee, based on the fee schedule effective on the date of the instant petition, is \$790.00.

The large entity extension fee possibly incurred June 6, 1997, based on the fee schedule effective on the date of the instant petition, is \$950.00 for a 3 month extension of time.

The large entity extra claim fee possibly incurred June 6, 1997, based on the fee schedule effective on the date of the instant petition, is \$246.00 for 3 extra independent claims.

The large entity extra claim fee possibly incurred August 5, 1997, based on the fee schedule effective on the date of the instant petition, is \$246.00 for 3 extra independent claims.

Thus,  $\$1,173.00 = (\$790.00 - \$375.00) + (\$950.00 - \$450.00) +$

$(\$246.00 - \$117.00) + (\$246.00 - \$117.00)$ , and

$\$1,173.00 = \$415.00 + \$500.00 + \$129.00 + \$129.00$ .

Exhibit C is the unexecuted declarations of Frederick Enns, supporting facts relied upon in this petition. An executed version of Exhibit C will be submitted to the Office when it becomes available.

The foregoing is not intended as an admission of any mistake in declaring small entity status, but is merely a precautionary measure.

If there are any fees required for consideration of this document, or for any other reason, please charge such fees to the Farkas & Manelli, PLLC Deposit Account No. 06-0115.

Respectfully submitted,

FARKAS & MANELLI, PLLC

By *Jerome R. Jackson*

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DATE: 1/20/98

TABLE OF EXHIBITS

EXHIBIT A	U.S. Application No. 08/697,080
EXHIBIT B	Small Entity Statement filed in Parent Application
EXHIBIT C	Enns Declaration, with portions of Agreements dated November 30, 1993, and December 22, 1995, and of Letter dated February 26, 1996
EXHIBIT D	Cover sheet for amendment filed June 6, 1997

# TAB ENTITLED EXHIBIT A

In Petition filed in the PTO, under the tab for EXHIBIT A, is a copy of the U.S. Application No. Serial No. 08/426,920. In Petition filed in the PTO, the copy of the '920 application is under the Rule 60 request and arranged with the drawings first, followed by the written specification, followed by the claims. To conserve storage space, the copy of the '920 application is not in the law firm file copy of the Petition.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**REQUEST FOR FILING**  
**(RULE 60)**

For Design or Utility Applications

Rule 60 PATENT APPLICATION:

( **DO NOT USE FOR CIPs** )

- [ ] Continuation )  
 ) application under 37 CFR 1.60  
 [ X ] Divisional )

of pending prior application of

Inventor(s): Eduardo J. MOURA and Jan M. GRONSKI

Appln. No. 08/426920  
series code ↑    ↑ serial no.  
 Filed: April 21, 1995

Title: **ASYMMETRIC HYBRID ACCESS SYSTEM  
 AND METHOD**

Hon. Commissioner of Patents and Trademarks  
 Washington, D.C. 20231

Group Art Unit: 2603

Examiner: S. Hom

Atty Dkt: 225013  
New M# / Client Ref.

( Our Deposit Account No. 03-3975  
 ( Our Order No. 7225 / 225013  
C# / New M#

Date: August 20, 1996

(Parent Matter No. 217537)

Sir:

To effect the above-requested filing today:

1. **Attached** is a true copy (**which must be filed**) of the prior application as **originally** filed, including:
  - [ X ] Abstract
  - [ X ] Specification and claims (unamended clean copy) as originally filed ( 40 pages) (**must be attached**)
  - [ X ] Drawings (**must be attached if originally filed**): 20 sheet(s)/set: [ X ] 1 set informal;  
 [ ] Formal of size [ ] A4 [ ] 13" [ ] 14"
- 1A. Always X one box, only:
  1. [ X ] Signed declaration or oath as originally filed in prior application attached
  2. [ ] NO Declaration or fee is enclosed; this is a filing under Rule 60(d).

NOTE: No amendments (if any) referred to in the Oath/Declaration filed to complete the prior application introduced new matter.

2. [ ] This Rule 60 application is hereby filed by less than all of the inventors named in the prior application. Petition is hereby made requesting deletion as inventor(s) of the following who is/are **not** inventor(s) of the invention being claimed in this Rule 60 application:

1. \_\_\_\_\_  
 3. \_\_\_\_\_  
 5. \_\_\_\_\_  
 7. \_\_\_\_\_  
 9. \_\_\_\_\_

2. \_\_\_\_\_  
 4. \_\_\_\_\_  
 6. \_\_\_\_\_  
 8. \_\_\_\_\_  
 10. \_\_\_\_\_

3. (RESERVED)

4. ☐ Priority is claimed under 35 U.S.C. 119/365 based on filing in \_\_\_\_\_ of \_\_\_\_\_ (country)

<u>Application No.</u>	<u>Filing Date</u>	<u>Application No.</u>	<u>Filing Date</u>
(1) _____	_____	(4) _____	_____
(2) _____	_____	(5) _____	_____
(3) _____	_____	(6) _____	_____

- a. ☐ \_\_\_\_\_ (No.) Certified copy/copies attached.  
 b. ☐ Certified copy/copies previously filed on \_\_\_\_\_ in \_\_\_\_\_  
 U.S. Application No. \_\_\_\_\_ / \_\_\_\_\_, filed on \_\_\_\_\_  
series code ↑    ↑ serial no.  
 c. ☐ Certified copy/copies filed during International stage of PCT/ \_\_\_\_\_ / \_\_\_\_\_  
 d. ☐ Priority is also claimed from PCT/ \_\_\_\_\_ / \_\_\_\_\_ filed \_\_\_\_\_

5. ☒ Prior application is assigned to Hybrid Networks, Inc.  
 by Assignment recorded April 21, 1995 Reel 7493 Frame 0486  
 (Date)

6. ☐ Attached is an Assignment and Cover Sheet.  
Please return the recorded Assignment to the undersigned.

7. ☒ The power of attorney in the prior application is to Lawrence Harbin, Reg.No. 27,644, Cushman Darby & Cushman, L.L.P.

(Name and Reg. No.)  
 whose current address is as in item 8 below.

- a. ☐ The power appears in the original papers of the prior application.  
 b. ☒ Since the new power does not appear in the original papers, a copy of the power in the prior application is attached.

c. ☐ Recognize as associate attorney \_\_\_\_\_  
 (Name, Reg. No. and Address)

8. Address all future communications to Cushman Darby & Cushman, LLP. Ninth Floor, East Tower  
 1100 New York Avenue, N.W., Washington, D.C. 20005-3918.

9. Amend the specification by inserting before the first line the sentence:--This is a  
☐ continuation ☒ division of Application No. 08 /426,920, filed April 21, 1995  
series code ↑    ↑ serial no.

10. ☒ 1(No.) Verified Statement(s) establishing "small entity" status under Rules 9 & 27  
☒ filed in above prior application (and hence applicable hereto)  
☐ attached.

11. Petition to extend the life of the above prior application to at least the date hereof  
 (One box) ☐ is being concurrently filed in that prior application (Use Form CDC-111).  
 (must be) ☐ was previously filed in that prior application (Check length of prior extension).  
 (X'd) ☐ is not necessary for copendency ( Double check before X'ing this box).

12. ☒ **INFORMATION DISCLOSURE STATEMENT:** Attached is Form PTO-1449 listing all of the documents cited by Applicant and the PTO in the parent application(s) relied upon under 35 USC 120 and referenced in item 9 above. Per Rule 98(d) copies of those documents are not required now. Please consider those documents and advise that they have been considered in this new application as by returning a copy of the enclosed Form PTO-1449 with the Examiner's initials in the left column per MPEP 609.
13. ☐ Attached is a Rule 103(a) Petition to Suspend Action.
14. ☒ **PRELIMINARY AMENDMENT to be entered before fee calculation:** (Do not make amendments here except for correction of improper multiple dependencies or cancellation of whole claims or multiple dependencies for purpose of reducing the filing fee per MPEP §§ 506 and 607; do not cancel all claims).

Cancel claims 1-16 and 18-25 without prejudice or disclaimer.

#### FILING FEE

THE FOLLOWING FILING FEE IS BASED ON

->->->-> CLAIMS AS FILED AND CHANGED BY PRELIMINARY AMENDMENT IN ITEM 14 <-<-<-<-

NOTE: If box 1A2 is X'd, do not pay fees,  
but leave lines 15-22 and 27-32 blank.

see box 10 re: Large/Small Entity

- |  |                                 |    |               |               |
|--|---------------------------------|----|---------------|---------------|
| 15. Basic filing fee .....                     | Design Appln. (\$310/\$155)     | \$ | _____         | (106/206)     |
| 16. Basic filing fee .....                     | Not Design Appln. (\$750/\$375) | \$ | 375.00        | (101/201)     |
| 17. Total Effective Claims <u>1</u> minus 20 = | * <u>0</u>                      | x  | \$22/\$11 = + | -0- (103/203) |
| 18. Independent Claims <u>1</u> minus 3 =      | * <u>0</u>                      | x  | \$78/\$39 = + | -0- (102/202) |

\* If answer is zero or less, enter "0"

19. If any proper (ignore improper) multiple dependent claim remains, add - - - - - \$250/\$125 + -- (104/204)
20. .... Subtotal \$ 375.00
21. If "petition" box 13 above is X'd, - - - - - add petition fee (\$130.00) + -- (122)
22. **TOTAL FILING FEE ATTACHED** \$ 375.00  
(carry forward to Item 31)

23. ☒ ATTACHED:

SUPPLEMENTAL DECLARATION  
CERTIFICATE UNDER 37 CFR 3.73(b)

24. ☒ Preliminary Amendment attached (to be entered after assigning Appln. No.)
25. ☒ The following PRELIMINARY AMENDMENT is to be entered after assigning Appln. No.:  
  
(PRELIMINARY AMENDMENT is attached)



26.

**ADDITIONAL FEE CALCULATION FOR  
PRELIMINARY AMENDMENT  
PER BOXES 24/25**

	Claims remaining after amendment	Highest number previously paid for	Present Extra	Additional Fee	
					<div>Large/Small Entity</div> <div>Fee Code</div>
27. Total Effective Claims	* <u>8</u>	minus ** <u>20</u>	= <u>0</u> x \$22/\$11 = \$ <u>-0-</u>		(103/203)
28. Independent Claims	* <u>3</u>	minus *** <u>3</u>	= <u>0</u> x \$78/39 = + <u>-0-</u>		(102/212)
29. If amendment enters proper multiple dependent claim(s) into this application for <u>first time</u> , add (per application) - - - - -				\$250/125 + --	(104/214)
30.			ADDITIONAL FEE	\$ <u>-0-</u>	
31.			plus FEE from item 22 on page 3	+ <u>375.00</u>	
32.			<b><u>TOTAL FEE ATTACHED</u></b>	<b>\$ <u>375.00</u></b>	

33.\*If the entry in this space is less than entry in the next space, the "Present Extra" results is "0".

34.\*\*If the "Highest number previously paid for" (see item 16 above) is less than 20, write "20" in this space.

35.\*\*\*If the "Highest number previously paid for" (see item 17 above) is less than 3, write "3" in this space.

**CHARGE STATEMENT:** Upon the filing of a Declaration pursuant to Rule 60(b) or 60(d), the Commissioner is hereby authorized to charge any fee specifically authorized hereafter, or any missing or insufficient fee(s) filed, or asserted to be filed, or which should have been filed herewith or concerning any paper filed hereafter, and which may be required under Rules 16-18 (missing or insufficient fee only) now or hereafter relative to this application and the resulting Official document under Rule 20, or credit any overpayment, to our Account/Order Nos. shown in the heading hereof for which purpose a duplicate copy of this sheet is attached.

**This CHARGE STATEMENT does not authorize charge of the issue fee until/unless an issue fee transmittal form is filed.**

CUSHMAN DARBY & CUSHMAN, L.L.P.

1100 New York Avenue, N.W.  
Ninth Floor, East Tower  
Washington, D.C. 20005-3918  
Tel: (202) 861-3000

By Atty: Lawrence Harbin Reg. No. 27,644

Sig:  Fax: (202) 822-0944  
Tel.: (202) 861- 3716

Atty/Sec: LH:er

NOTE No. 1: File this Request in duplicate with 2 postcard receipts (CDC-103) & attachments.

NOTE No. 2: Is extension in parent necessary for copendency? DOUBLE CHECK Item 11 above.

TAB ENTITLED EXHIBIT B

Attny.Dkt.No.: 1572  
Applicants: Eduardo J. Moura and Jan Maksymiliam Gronski  
Serial No.: Unknown  
Filed: On Even Date Herewith  
Title: ASYMMETRIC HYBRID ACCESS SYSTEM AND METHOD

VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY STATUS  
(37 CFR 1.9 (f) and 1.27 (c)) - SMALL BUSINESS CONCERN

I hereby declare that I am:

☐ the owner of the small business concern identified below: ☒ an official of the small business concern empowered to act on behalf of the concern identified below:

NAME OF CONCERN Hybrid Networks, Inc.  
ADDRESS OF CONCERN 10201 Bubb Road, Cupertino, CA 95014

I hereby declare that the above identified small business concern qualifies as a small business concern as defined in 13 CFR 121.2--18, and reproduced in 37 CFR 1.9(d), for purposes of paying reduced fees under section 41 (a) and (b) of Title 35, United States Code, in that the number of employees of the concern, including those of its affiliates, does not exceed 500 persons. For purposes of this statement, (1) the number of employees of the business concern is the average over the previous fiscal year of the concern or the persons employed on a full-time part-time or temporary basis during each of the pay periods of the fiscal year, and (2) concerns are affiliates of each other when either, directly or indirectly, one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.

I hereby declare that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the above referenced invention described in

☒ the specification filed herewith ☐ application identified above ☐ patent identified above

If the rights held by the above identified small business concern are not exclusive, each individual, concern or organization having rights to the invention is listed below\* and no rights to the invention are held by any person, other than the inventors, who could not qualify as a small business concern under 37 CFR 1.9(d) or by any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e). \*NOTE: Separate verified statements are required from each named person, concern or organization having rights to the invention averring to their status as small entities. (37 CFR 1.27)

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
☐ INDIVIDUAL ☒ SMALL BUSINESS CONCERN ☐ NONPROFIT ORGANIZATION

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR 1.28(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of the Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

SIGNATURE   
NAME OF PERSON SIGNING RICHARD E. FULLER  
TITLE OF PERSON OTHER THAN OWNER VP, FINANCE  
ADDRESS OF PERSON SIGNING 10201 BUBB RD., CUPERTINO, CA 95014

DATE

4/21/95

TAB ENTITLED EXHIBIT C

PATENT  
ATTORNEY DOCKET No. 27459-803/080

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent of: )  
 )  
MOURA et al. )  
 )  
Application No. 08/697,080 )  
 )  
Filed: August 20, 1996 )  
 )  
For: HYBRID ACCESS SYSTEM )  
EMPLOYING ACKNOWLEDGMENT )  
SUPPRESSION )  
 )

Honorable Commissioner of Patents  
and Trademarks  
Washington, D.C. 20231

Sir:

DECLARATION OF FREDERICK ENNS IN SUPPORT OF PETITION

I, FREDERICK ENNS declare that:

1. I am currently Vice President and Chief Technical Officer, Hybrid Networks, Inc.
2. Hybrid Networks, Inc. has always had less than 500 employees.
3. In 1993, a large corporation, having more than 500 employees, wished to develop and market PC card products to provide users of personal computers with cable connectivity. (In this declaration, this large corporation will be called ACME, though ACME is not the actual name of this corporation.) To further that goal, ACME agreed to transfer money to Hybrid by way of a Technology License Agreement executed November 30, 1993 (portions of which are attached to this Declaration). Two years later, on December 26, 1995, the parties amended and restated the

November 30, 1993 Technology License Agreement.

4. ACME owned various amounts of Hybrid's stock from time to time. At no time did Acme own greater than 17% of Hybrid's stock.

5. Hybrid and ACME envisioned an arrangement in which ACME would manufacture PC card devices for use in individual computers, paying Hybrid a per-unit royalty fee. As a precursor to this arrangement, the agreements set forth a per-unit royalty fee payment schedule.

6. The November 30, 1993 agreement, executed by Hybrid President, Howard Strachman, was entitled TECHNOLOGY LICENSE AGREEMENT BETWEEN HYBRID NETWORK, INC. AND ACME CORPORATION, and was memorialized in 18 pages, portions of which are attached to this declaration.

7. The corporate department of Fenwick & West represented Hybrid in its dealing with ACME. Fenwick & West also had a patent department, but in November 1993 Hybrid was relying on Townsend & Townsend for patent prosecution matters.

8. After a period of consideration and consultation, Fenwick & West was formally retained as Hybrid's patent counsel in 1994.

9. On December 22, 1995, Hybrid's Vice President, Richard E. Fuller, executed a document entitled AMENDED AND RESTATED TECHNOLOGY LICENSE AGREEMENT BETWEEN HYBRID NETWORKS, INC. AND ACME, portions of which are attached to this declaration.

10. In a letter dated, February 26, 1996, signed by Hybrid's President, Carl. S. Ledbetter, the December 1995 Restated and Amended Agreement was amended as follows:

The first two sentences of Section 10.4 shall be deleted and the following sentences shall be substituted in their place:

The parties will prepare a development plan based upon such product specifications as may be mutually agreed upon by the [redacted] Team consisting of Hybrid, ACME, Beta Corporation and Delta Corporation. The parties to the Agreement agree to negotiate in good faith the terms and conditions of a Development Agreement under which such development will occur. Hybrid has received in accordance with Section 6.3 any ACME Improvements developed by ACME as of the Effective Date. On July 1, 1996 ACME will make additional delivery to Hybrid of any ACME Improvements developed by ACME subsequent to the Effective Date.

(The paragraph above employs the names BETA and DELTA to identify two other large corporations, though BETA and DELTA is not the actual name of these corporations.)

11. In order to expedite prosecution of its patent matters, Hybrid retained Farkas & Manelli in or about February 1996 to handle some of its matters, and later transferred all of its patent matters to Farkas & Manelli. Over the past few months, Hybrid began to consult with Farkas & Manelli on its business and financial matters including prospective licensing of its technologies, whereupon Hybrid and Farkas & Manelli worked together on contract and licensing issues for Hybrid.

12. Recently, Hybrid consulted its current representative, Farkas & Manelli, relative to licensing its technology to ACME in connection with ACME's prospective sale of a business unit dealing with Hybrid's technology. The current representative on or about October 28, 1997 inquired of Hybrid whether the ACME licensing deal had gone through. At that time, I informed the present representative that it had not, and, during the discussions, I informed the representative that the recent negotiations with ACME were based on an earlier agreement, to wit: the November 30, 1993 agreement (which had been restated and modified on December 26,

1995). At the request of the representative, I then had a copy of the 1993 agreement forwarded to the representative, by facsimile. On November 17-18, 1997, the representative visited Hybrid in Cupertino, California to explore further the nature of the relationship between Hybrid and ACME. During that visit, Hybrid informed the representative that the November 30, 1993 agreement had been restated and modified on December 26, 1995, and again modified on February 26, 1996. On November 18, 1997, Hybrid obtained a copy of the restated and amended agreement from Farkas & Manelli, and forwarded the same to its current representative.

13. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that any such willful false statements may jeopardize the validity of the application or any patent issuing thereon.

By: \_\_\_\_\_

Frederick Enns

\_\_\_\_\_  
Date



ATTACHMENT TO DECLARATION OF FREDERICK ENNS  
PORTIONS OF AGREEMENT EXECUTED NOVEMBER 30, 1993

3.3 . . . As a condition precedent to ACME's obligation to pay under Sections 3.2 and 3.3, Hybrid, with ACME's cooperation, shall engage in commercially reasonable development efforts as mutually agreed and defined by the Parties in a separate development agreement which the parties agree to negotiate in good faith and which shall include installment by Hybrid by of an agreed number of Point of Presence Systems.

The agreement included the following provisions for the purchase of Hybrid assets and stock by ACME:

13.0 ACME RIGHT OF FIRST REFUSAL

13.1 If Hybrid decides to (i) sell itself, merge, consolidate, sell all, or substantially all of its assets, or (iii) issue, sell or exchange, for cash or other consideration, shares of its capital stock (each a "Corporate Event"), the result of which will be a change in control of Hybrid. Hybrid shall give ACME a detailed, written description of the terms of the proposed Corporate Event at least forty-five (45) days prior to the completion of the Corporate Event (the "Notice").

13.2 Upon receipt of the Notice, ACME shall have the right, exercisable by giving written notice to Hybrid within thirty (30) calendar days after the date of delivery of the Notice, to enter into an agreement with Hybrid to participate in the Corporate Event on terms consistent with and no less favorable to Hybrid than those contained in the Notice. If the consideration contained in the Notice includes property other than cash, ACME shall have the option to substitute similar property of equal value. The value of any property included in the purchase price shall be the fair market value of such property on the date ACME receives the Notice. In the event of a disagreement between the Parties, the fair market value of property shall be jointly determined by a nationally recognized investment firm selected by each Party to this Agreement. If the firms selected by ACME and Hybrid are unable to agree upon the value of property, the firms shall promptly select a third firm whose determination shall be conclusive. Each Party shall bear the cost of its own investment banking firm and shall share equally the cost of any third firm selected hereunder. If ACME exercises its right to purchase under this Section 13.0, the transactions shall (i) be subject to the receipt of all applicable regulatory approvals, (ii) be in compliance with applicable laws and regulations, and (iii) take place on such date and at such time and place as Hybrid and ACME shall mutually agree, provided that in no event will such date be later than forty-five (45) days after the date of the Notice.

13.3 If ACME decides not to participate in the Corporate Event as detailed in the

Notice, Hybrid may complete the corporate Event as detailed in the Notice. If the terms and conditions of the Corporate Event materially change after expiration of ACME's rights under Paragraph 13.2 and such terms are more favorable than those first detailed in the Notice, Hybrid must inform ACME in writing of such changes and ACME shall have the right, within ten (10) working days of receiving such notification from Hybrid to agree to complete within thirty (30) days after such notification, the Corporate Event on the changed terms and conditions specified in Hybrid's notification to ACME.

13.4 ACME shall maintain the right of first refusal under this Section 13.0 during the Exclusivity Period. ACME's right of first refusal shall continue after expiration or termination of the Exclusivity Period for the earlier of (i) two (2) years, provided ACME holds at least ten percent (10%) of Hybrid's outstanding shares of stock at the time of the Corporate Event of (ii) an initial public offering by Hybrid.

The agreement also included the following license grant provisions:

1.5 "Hybrid Software" shall mean Hybrid's client software, in source and binary form, to be installed on a user's computing device which permits symmetrical/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network. A Point of Presence System shall not be included in the term "Hybrid Software."

1.6 "Hybrid Technology" shall mean Hybrid's designs, processes, methods, software, algorithms, trade secrets, and its patents, copyrights, and other ACME intellectual property rights used in or necessary for Hybrid Software and/or the Remote Link Adapter with respect to enabling symmetric/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network.

1.7 "Point of Presence System" shall mean a central network point for the collection of digital information from various information providers and users and the distribution of digital information to the cable television head-end equipment.

1.9 "Remote Link Adapter" shall mean a device that uses software and/or hardware to physically connect a personal computer or other computing device to a television cable or other communications network and which is capable of executing Hybrid Software. A Point of Presence System shall not be included in the term "Remote Link Adapter." . . .

## 2.0 LICENSE GRANT

2.1 Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual,

worldwide, exclusive (as defined in Section 2.4), royalty bearing license, with the right to sublicense during the Exclusivity Period (as defined in Section 2.4), to use Hybrid Technology . . .

2.2 Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, exclusive (as defined in Section 2.4), royalty free license, with the right to sublicense, during the Exclusivity Period (as defined in Section 2.4) under Hybrid's copyrights, patents, and trade secrets to reproduce copies of Hybrid Software . . .

2.5 Except as expressly provided herein, no other rights or licenses of any kind are granted by the Parties. . . .

ATTACHMENT TO DECLARATION OF FREDERICK ENNS  
PORTIONS OF AGREEMENT EXECUTED DECEMBER 22, 1995

THEREFORE, ACME and Hybrid agree as follows:

I. Definitions

1.1. "*Hybrid Documentation*" shall mean written Hybrid specifications, schematics, and associated technical documentation for the Remote Link Adapter and Hybrid Software.

1.2. "*Hybrid Improvement*" shall mean any enhancement, feature, or option for use by or in connection with Hybrid Technology or the ACME Technology developed by Hybrid which is intended to, or which does, improve Hybrid Technology or the ACME Technology.

1.3. "*Hybrid Product*" shall mean a product developed by or for Hybrid which incorporates ACME Technology. ACME Improvement or any other derivative thereof.

1.4. "*Hybrid Software*" shall mean Hybrid's client software, in source and binary forms, to be installed on a user's computing device which permits symmetric/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network. A Point of Presence System shall not be included in the term "Hybrid Software."

1.5. "*Hybrid Technology*" shall mean Hybrid's designs, processes, methods, software, algorithms, trade secrets, and its patents, copyrights, and other ACME intellectual property rights used in or necessary for Hybrid Software and/or the Remote Link Adapter with respect to enabling symmetric/asymmetric data communications between the user's personal computer or other computing device and a cable television or other communications network. Hybrid Technology shall include any Hybrid improvements required to be delivered to ACME hereunder.

1.6. "*ACME Documentation*" shall mean written ACME specifications, schematics, and associated technical documentation for the ACME Technology.

1.7. "*ACME Improvement*" shall mean any enhancement, feature, or option for use by or in connection with ACME Technology or the Hybrid Technology developed by ACME which is intended to, or which does, improve ACME Technology or the Hybrid Technology.

1.8. "*ACME Product*" shall mean a product developed by or for ACME which incorporates Hybrid Technology, Hybrid Improvement or any other derivative thereof.

1.9. "*ACME Software*" shall mean the "ACME Client Software Modifications," the "ACME [redacted] Client Software" and the "ACME [redacted] Software," as each is defined in Exhibit A, in source and binary forms.

1.10 "*ACME Technology*" shall mean the portions of the ACME Technology Deliverables that were developed by ACME. The ACME Technology shall not include those portions of the ACME Technology Deliverables that incorporate any of the Hybrid Technology. The ACME Technology shall include (without limitation) the "ACME [redacted] Software" as defined in Exhibit A.

1.11 "*ACME Technology Deliverables*" shall mean the ACME Software and the "ACME [redacted] Client Hardware" as defined in Exhibit A. The ACME Technology Deliverables shall include the ACME Improvements required to be delivered to Hybrid hereunder. ACME acknowledges that the ACME Technology Deliverables incorporate portions of the Hybrid Technology.

1.12 "*Point of Presence System*" shall mean a central network point for the collection of digital information from various information providers and users and the distribution of digital information to the cable television head-end equipment for a specific geographic area.

1.13 "*Remote Link Adapter*" shall mean a device that uses software and/or hardware to physically connect a personal computer or other computing device to a television cable or other communications network and which is capable of executing Hybrid Software. A Point of Presence System shall not be included in the term "Remote Link Adapter."

## 2. LICENSE GRANTS

2.1 Hybrid Technology. Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, nonexclusive, royalty bearing license to use Hybrid Technology to design, develop, modify, create derivatives, manufacture, have manufactured, use, market, distribute, sell, service and support ACME Products. ACME shall not sublease any Hybrid Technology. These licenses include the right to copy, modify, and distribute Hybrid Documentation.

2.2 Hybrid Software. Subject to the terms of this Agreement, Hybrid grants to ACME a perpetual, worldwide, nonexclusive, royalty-free license, under Hybrid's copyrights, patents, and trade secrets, to reproduce copies of Hybrid Software in order to prepare derivative works of such Hybrid Software ("*ACME Derivative Code*") and to copy, publish, and distribute, under ACME's then current standard licensing terms, Hybrid Software and ACME Derivative Code in binary form. ACME shall not sublease Hybrid Software or ACME Derivative Code in source code form. These licenses include the right to copy, modify, and distribute Hybrid Documentation.

2.3 ACME Technology. Subject to the terms of this Agreement, ACME grants to Hybrid a perpetual, worldwide, nonexclusive, royalty-free, paid-up license to use ACME Technology to design, develop, modify create derivatives, manufacture, have manufactured, use, market, distribute, sell, service and support Hybrid Products. Hybrid shall not sublicense ACME

Technology. These licenses include the right to copy, modify, and distribute ACME Documentation.

2.4 ACME Software. Subject to the terms of Agreement, ACME grants to Hybrid a perpetual, worldwide, nonexclusive, royalty-free license, under ACME 's copyrights, patents, and trade secrets, to reproduce copies of ACME Software in order to prepare derivative works of such ACME Software ("*Hybrid Derivative Code*") and to copy, publish, and distribute, under Hybrid's then current standard licensing terms, ACME Software and Hybrid Derivative Code in binary form. Hybrid shall not sublicense ACME Software or Hybrid Derivative Code in source code form. These licenses include the right to copy, modify, and distribute ACME Documentation.

2.6 Distribution in Devices. Notwithstanding the software licenses restrictions specified in this Section 2, each party shall have the right to distribute software or portions thereof which are programmed into a semiconductor device without a license agreement but will rely on such laws as may be appropriate.

2.7 Reserved Rights ... Except as expressly provided herein, no other rights or licenses of any kind are granted by the parties.

#### 4. OWNERSHIP

4.1 Hybrid Ownership. Except for the licenses expressly granted in Section 2 above, Hybrid will remain the owner of all right, title and interests in the Hybrid Technology, Hybrid Software, Hybrid Documentation and any and all copyright, trade secret, patent and other intellectual property rights therein. Except for ACME's ownership of the ACME Technology, Hybrid will remain the owner of all right, title and interest in the Hybrid Products, Hybrid Improvements and any and all copyright, trade secret, patent and other intellectual property rights therein.

4.2 ACME Ownership. Except for the licenses expressly granted in Section 2 above, ACME will remain the owner of all right, title and interest in the ACME Technology, ACME Documentation and any and all copyright, trade secret, patent and other intellectual property rights therein. Except for Hybrid's ownership of the Hybrid Technology, ACME will remain the owner of all right, title and interest in the ACME Products, ACME Technology Deliverables, ACME Improvements and any and all copyright, trade secret, patent and other intellectual property rights therein ...

#### 6. DEVELOPMENT, DELIVERY, MAINTENANCE AND SUPPORT

6.1 Hybrid Deliverables. Hybrid has delivered to ACME Hybrid Technology including but not limited to (i) all source code, "make files," and related Hybrid Documentation needed to recreate the executable version of the Hybrid Software, and (ii) the functional,

electrical, mechanical and test specifications, logic and wiring diagrams, physical layout diagrams, and bill of materials for the Remote Link Adapter.

6.2 Hybrid Improvements. Hybrid will furnish to ACME, in a form reasonably satisfactory to ACME and at no additional expense to ACME, only such Hybrid Improvements to Hybrid Technology as Hybrid shall have developed that maintain basic functionality, including cable back-channel capability. If Hybrid makes available to any third party the right to sell, lease, license or distribute any Improvement that increases functionality with respect to any ACME Product then marketed by ACME, Hybrid will furnish such improvement to ACME under terms and conditions as favorable as those offered by Hybrid to any such party.

6.3 ACME Deliverables. On or about the Effective Date and as otherwise agreed herein, ACME will deliver to Hybrid the ACME Technology Deliverables in the form of mutually agreed technology release packages including but not limited to (i) all source code, "make files," and related ACME Documentation needed to recreate the executable version of any software delivered, and (ii) the functional, electrical, mechanical and test specifications, logic and wiring diagrams, physical layout diagrams, and bill of materials for hardware delivered.

## 10. MARKETING AND FUTURE BUSINESS OPPORTUNITIES

10.1 Marketing Names. ACME shall have the right to promote and market Hybrid Technology under ACME's trade names, and Hybrid shall have the right to promote and market ACME Technology under Hybrid's trade names.

10.4 [redacted] Development Plan. During the sixty (60) days following the Effective Date, the parties will prepare a development plan relating to the [redacted] technology and will negotiate in good faith the terms and conditions of a Development Agreement under which such development will occur. If the parties do not develop such a development plan or enter into such a Development Agreement, ACME will deliver to Hybrid in accordance with Section 6.3 any ACME Improvements developed by ACME and on July 1, 1996, ACME will make an additional delivery to Hybrid of any ACME Improvements. Further, on July 1, 1996 and as otherwise agreed, if the parties enter into a Development Agreement, ACME will deliver to Hybrid any deliverables developed hereunder. Neither party will have liability whatsoever, and neither party will be considered to have breached this Agreement, for failure to prepare a development plan or enter into a Development Agreement.

13.1 If Hybrid decides to (i) sell itself, merge, consolidate, sell all, or substantially all of its assets, or (iii) issue, sell or exchange, for cash or other consideration, shares of its capital stock (each a "Corporate Event"), the result of which will be a change in control of Hybrid. Hybrid shall give ACME a detailed, written description of the terms of the proposed Corporate Event at least forty-five (45) days prior to the completion of the Corporate Event (the "Notice").

13.2 Upon receipt of the Notice, ACME shall have the right, exercisable by giving

written notice to Hybrid within thirty (30) calendar days after the date of delivery of the Notice, to enter into an agreement with Hybrid to participate in the Corporate Event on terms consistent with and no less favorable to Hybrid than those contained in the Notice.



TAB ENTITLED EXHIBIT D

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re PATENT APPLICATION of

Inventor(s): MOURA et al

Appln. No.: 08 697,080

Series Code ↑ Serial No. ↑

Filed: August 20, 1996

Title: HYBRID ACCESS SYSTEM EMPLOYING  
DATA ACKNOWLEDGMENT SUPPRESSION

Group Art Unit: 2603

Examiner: Horn & Olms

Atty. Dkt.

27459-803

Client/Matter #

(Our Deposit Account No. 06-0115)

(Our Order No. 803)

Client/Matter#

Date: June 6, 1997

Hon. Commissioner of Patents and Trademarks  
Washington, D.C. 20231

Sir:

## RESPONSE/AMENDMENT/LETTER

This is a response/amendment/letter in the above-identified application and includes the herewith attachment of same date and subject which is incorporated hereinto by reference and the signature below is to be treated as the signature to the attachment in absence of a signature thereto.

### FEE REQUIREMENTS FOR CLAIMS AS AMENDED

1. "Small Entity" Statement(s) filed <input checked="" type="checkbox"/> previously <input type="checkbox"/> herewith (No.) <input type="checkbox"/>						
	Claims remaining after amendment	Highest number previously paid for	Present Extra	Large/Small Entity	Additional Fee	Fee Code
2. Total Effective Claims	13	**minus 20		x \$22/\$11 =	+	103/203
3. Independent Claims	6	***minus 3	3	x \$78/\$39 =	+ 117	102/202
4. If amendment enters proper multiple dependent claim(s) into this application for first time (leave blank if this is a reissue application).....add				+\$250/\$125=	+	104/204
5. Original due date: March 30, 1997						
6. Petition is hereby made to extend the original due date to cover the date this response is filed for which the requisite fee is attached		(1 mo) \$110/\$55 =	+ 450			115/215
		(2 mos) \$380/\$190 =				116/216
		(3 mos) \$900/\$450 =				117/217
7. Enter any previous extension fee paid since above original due date (item 5) and subtract						
				Extension Fee Attached	+ 450	
8.						
9. If Terminal Disclaimer attached, add Rule 20(d) official fee.....add				+ \$110/\$55=	+	148/248
10. If IDS attached requires Official Fee, .....add				+ \$220 =	+	126
or if Rule 97(d) Petition, .....add				+ \$130 =	+	122
11. After-Final Request Fee per Rules 129(a) and 17(r).....add				+ \$750/375=	+	146/246
12. No. of additional inventions for examination per Rule 129(b):.....				x \$750/375ea=	+	149/249
13. Petition fee for					+	
				<b>TOTAL FEE ENCLOSED</b>	<b>= \$ 567.00</b>	

14. "If the entry in this space is less than entry in the next space, the "Present Extra" result is "0".  
 15. "If the "Highest number previously paid for" in this space is less than 20, write "20" in this space.  
 16. "If the "Highest number previously paid for" in this space is less than 3, write "3" in this space.

**CHARGE STATEMENT:** The Commissioner is hereby authorized to charge any fee specifically authorized hereafter, or any missing or insufficient fee(s) filed, or asserted to be filed, or which should have been filed herewith or concerning any paper filed hereafter, and which may be required under Rules 16-18 (missing or insufficiencies only) now or hereafter relative to this application and the resulting Official Document under Rule 20, or credit any overpayment, to our Account/Order Nos. shown in the heading hereof, for which purpose a duplicate copy of this sheet is attached.  
 This CHARGE STATEMENT does not authorize charge of the issue fee until/unless an issue fee transmittal sheet is filed.

Query: Is appeal deadline now? If so, file Notice of Appeal separately.

Reg. No. 36,017

**FARKAS & MANELLI, P.L.L.C.**  
 1233 20<sup>th</sup> Street, N.W. Suite 700  
 Washington, D.C. 20036-2396  
 Tel: (202) 778-1130

By: Atty: **Edward J. Stemberger**

Sig:

*E. Stemberger*

Fax: (202) 887-0336  
 Tel: (202) 778-1139

**NOTE:** File this cover sheet in duplicate with Amendment receipt and attachments